



Labor & Economic Briefing

David C. Hollister, Director

Issue 18

February 11, 2005

Here is a summary of headlining accomplishments from the last month:

Creating & Retaining Michigan Jobs

Granholm State of the State Address Advances Plan to Create Jobs Today, Jobs Tomorrow: In her third State of the State Address, Governor Jennifer M. Granholm announced on Feb. 8th a comprehensive plan to fuel Michigan's 21st century economy and create tens of thousands of good-paying jobs. "The foundation of a good life is a good-paying job," Granholm told a joint session of the Legislature. Granholm's **Jobs Today, Jobs Tomorrow** plan outlines a three-pronged strategy to create jobs immediately and diversify and grow Michigan's future economy. It will

- Create 72,000 high-wage jobs by investing \$2 billion to establish Michigan as a global center of research in new technology and emerging industries.
- Create 36,000 jobs over three years and make Michigan a better place to live and do business by accelerating \$800 million in critical state infrastructure projects, by giving local communities new tools to carry out their own public investment projects, and by sparking private development projects.
- Give children in school and adults in the workforce greater access to higher education and to the skills they need to fill both the jobs of the future and job vacancies that exist in Michigan today.

To create jobs of the future, Granholm announced a 21st Century Jobs Initiative that will make Michigan the nation's epicenter of alternative energy research, a leader in the biotech industry, and a hotbed for homeland security R&D. The initiative calls for a \$2 billion investment over 10 years to grow Michigan's economy by increasing research in our university, corporate, and non-profit research institutions and by stepping up efforts to turn new ideas into new commercial products. Michigan voters will be asked to approve a ballot measure this November that would authorize the Governor's plan to create 72,000 jobs over the next decade. Granholm told lawmakers her plan could have revolutionary impact on the state's economy: "Imagine Michigan, the state that put the nation on wheels as the state that made those wheels run on pollution free fuel cells, the state that made these United States independent of foreign oil."

To put thousands of Michigan residents to work this year, Granholm proposed a Jobs Today Initiative that will speed up state and local infrastructure improvement projects that were scheduled to begin over the next decade and provide incentives that will lead to new private development and renovation projects. This acceleration will create some 36,000 new jobs over three years in the building trades, construction, and related service industries. By repairing roads, modernizing schools, cleaning industrial sites, and renovating downtowns, the Jobs Today Initiative will also improve Michigan's quality of life and make the state more attractive to job providers.

Granholm also announced a new initiative to cut unemployment by rapidly filling 90,000 job vacancies that exist in the state today. Granholm said a new MI Opportunity Partnership could match and place as many as 30,000 citizens who are looking for work with a job this year through training programs focused on the skilled trades and health care fields. "If Michigan hospitals can run ads for nurses in Montreal, surely we can train people on Mack Avenue or in Monroe or Munising for those career opportunities," Granholm said. Noting that higher education is the key to economic success in the 21st century, Granholm called for a new educational compact that will build Michigan's future workforce by rewarding success in post-secondary education. Beginning with the class of 2007, all Michigan students will receive a \$4,000 new Merit scholarship when they successfully obtain an associate's degree, its equivalent or earn junior status at a Michigan college. The new scholarship is equal to two years of in-district tuition at a Michigan community college and will result in the phasing out of the existing \$2,500 Merit scholarship. For students who receive Pell grants, the new Merit scholarship will make up the difference between their federal grant and \$4,000.

Jackson-Based Marble Products Firm Will Expand, Invest \$2.1 Million: Zimmer Marble, a manufacturer and wholesaler of cultured and natural marble products for kitchen and bath retail stores, will expand in Jackson with the help of an SBT credit valued at \$210,000 and approved by the Michigan Economic Development Corporation. The \$2.1 million project is expected to create 10 new jobs. The SBT credit will be used to help redevelop contaminated property located at 1812 River Street.



**Governor
Jennifer M.
Granholm**

Financial Firm Chooses Michigan Over Texas for Expansion, 311 New Jobs: Governor Jennifer M. Granholm announced on Jan. 18 that Raymond James & Associates, a leading U.S. financial services company, plans to locate its regional operations center in Southfield, creating 311 new jobs. Assistance offered through the Michigan Economic Development Corporation helped convince the company to locate the \$15 million facility in the state instead of a competing location in Texas. "The new Raymond James operations here will create momentum for further job creation in southeast Michigan," Granholm said. "The company's decision to locate here is yet another indicator that our favorable business climate is a magnet that continues to attract investment from top-notch global employers." It is anticipated that the city of Southfield will approve a local tax abatement valued at \$193,000 over three years in support of the project. A University of Michigan economic analysis estimates that 111 indirect Michigan jobs will be created as a result of increased economic activity associated with the expansion, in addition to the 200 jobs created directly by the company. The project is expected to generate more than \$160 million in personal income for Michigan workers over the life of the tax credit. The MEDC approved a Single Business Tax credit valued at approximately \$2.1 million to win the project. Raymond James & Associates is a subsidiary of Florida-based Raymond James Financial, Inc. (RJF). Founded in 1962, RJF is one of the largest financial services firms in the United States and has 2,200 locations worldwide. The company currently employs 243 in Michigan. In 2004 the Governor and the MEDC announced the creation or retention of more than 54,000 jobs as a result of targeted assistance provided by the MEDC. Overall, during 2004, the Governor announced the creation or retention of some 130,000 jobs by all state agencies.

Governor Announces Support to Transform Former GM World HQ in Detroit: The Argonaut building in Detroit's New Center area will be redeveloped to accommodate housing, commercial and retail opportunities. The project is expected to generate more than \$64 million in private investment and 300 new jobs through a \$5.6 million brownfield Single Business Tax credit approved by the Michigan Economic Development Corporation. Midway Corporate Plaza LLC will use the tax credit to help create nearly 100,000 square feet of office and retail space within the Argonaut building as part of the continuing redevelopment of the former GM world headquarters. The final project will also include approximately 370,000 square feet of loft-style residential space as well as 140,000 square feet of retail and office space with parking facilities to accommodate 800 cars. "Every brownfield that is redeveloped represents another victory in our ongoing battle to revitalize our community cores," MEDC President and CEO Don Jakeway said. "The success of this and other brownfield projects in Detroit has spurred investment and jobs on properties that were once thought to be too costly or difficult to redevelop."

Holland, Zeeland Redevelopment Projects to Spur \$18.2 Million Investment: Governor Jennifer Granholm announced on Jan. 12 that vacant industrial properties in Holland and Zeeland will be redeveloped and will result in the creation and retention of 170 jobs. The two projects are expected to generate more than \$18.2 million in private investment. The following will benefit from a total of \$1.7 million in SBT credits:

- **Holland:** 16th Street Development LLC will use a tax credit valued at \$1 million to redevelop a vacant, obsolete former industrial property located at 570 East 17th Street. The existing building will be demolished to make way for up to five new buildings designed to house new commercial and retail tenants. The project is expected to generate \$11.2 million in private investment and create or retain 150 jobs.
- **Zeeland:** ILH LLC will invest more than \$7 million to renovate two existing buildings located at 201 and 233 West Washington in downtown Zeeland for the expansion of Innotec Corporation. A tax credit valued at \$700,000 will help transform a three-story, 120-year-old building and an adjacent 48,000-square-foot structure into the new home of Innotec's manufacturing, assembly, engineering and technical services divisions. Expansion of the automotive and office furniture components manufacturer is expected to create 20 new jobs.

Granholm: GR Redevelopment to Create New Housing, Retail and Commercial Space: State support will help turn two underutilized downtown Grand Rapids properties into housing, retail and commercial space. The two projects are expected to generate more than \$3.9 million in private investment and retain more than 40 jobs. Brownfield SBT credits for the project valued at \$397,000 were approved by the Michigan Economic Development Corporation. Grand Rapids is one of the Governor's designated Cool Cities. The city of Grand Rapids, through the Downtown Development Authority, has contributed an additional \$100,000 in grants to the following two projects:

- **First Shot LLC** will use a tax credit valued at \$189,500 to rehabilitate a dilapidated five-story building located at 83-85 Monroe Center. The property will be renovated in accordance with historic guidelines into a mixed-use facility with condominiums and apartments on the upper floors and retail shops on the street level. First Shot will invest more than \$1.8 million in the project.
- **64 Ionia LLC** will invest more than \$2 million to redevelop a six-story, mostly vacant building located at 64 Ionia, SW. A tax credit valued at \$207,000 will help convert the upper floors of the building into commercial/office space and the two ground floors into retail space. The project is expected to create at least 12 new jobs.

Miles Petroleum to Build New HQ on Old Grain Elevator Site near Saginaw: An abandoned grain elevator site in Merrill, near Saginaw, will be converted to a new headquarters and distribution facility for Miles Petroleum with the help of a \$48,671 SBT credit approved by the Michigan Economic Development Corporation. The project is expected to generate more than \$486,705 in private investment and five new jobs. The developer, MPI Property Management LLC, will clean up and develop the property on behalf of Miles Petroleum. An existing grain elevator will be demolished and various buildings redeveloped to house corporate offices, a garage, warehouse and truck and oil storage facilities.

Wyandotte Landmark to Become Commercial Space: A Wyandotte firehouse will be converted into commercial space generating 50 new jobs and \$210,000 in private investment with a \$21,000 SBT credit approved by the Michigan Economic Development Corporation. Built in 1929, the historic structure at 2011 Oak Street was in active use until July 2003 when it was abandoned in favor of a newly constructed fire station. The credits will be used to redevelop the building to accommodate commercial or retail tenants.

Governor Signs Legislation for New Tax-Free Renaissance Zone: Legislation was recently signed into law by Governor Jennifer M. Granholm that will allow the Greenville Industrial Park in the city of Greenville to become a tax-free Renaissance Zone, opening up new opportunities for company investments and job creation. Senate Bill 1453, now Public Act 430 of 2004, amends the Renaissance Zone Act to allow the designation of an additional Rural Renaissance Zone to promote redevelopment of existing industrial facilities. The Renaissance Zone designation will be used to make the Greenville Industrial Park tax-free for up to 15 years. To date, Renaissance Zones have led to more than \$2.1 billion in private investment in over 340 projects and more than 7,500 jobs.

State Helps Five Emerging Businesses Land \$564,174 in Federal Research Funds: Five Michigan startup companies have been awarded \$564,174 in federal Small Business Innovation Research (SBIR) grants after receiving the promise of matching support from the state's new Emerging Business Fund. The Emerging Business Fund (EBF) provides matching grants to Michigan companies in the three Technology Tri-Corridor sectors of life sciences, homeland security and advanced automotive technology. The companies, based in Ann Arbor, Okemos and Mount Pleasant, were awarded a total of \$84,625 in matching funds from the EBF:

- **DCM Associates LLC**, a Mount Pleasant-based company received \$100,000 to develop online training courses for the handling of hazardous materials for the National Institute of Environmental Health & Science.
- **Solidica Inc., Ann Arbor**, \$65,000 for novel applications of additive fabrication for armoring military vehicles for the Department of Defense/Navy
- **BioPhotonic Solutions Inc.** in Okemos, \$99,855 for research and development of laser-based methods of detection and imaging in biotechnology for the Department of Defense/Army.
- **Cybernet Systems Corp., Ann Arbor**, \$99,523 to research and develop instrumentation to detect falls in the elderly and \$99,796 to develop a handheld enabled system for medication compliance management using FDA-approved handheld technology, both for the National Institutes of Health.
- **Omni Sciences Inc., Ann Arbor**, \$100,000 to research and develop a mid-infrared laser for applications in chemical sensing for the Department of Defense/Army.

The Technology Tri-Corridor (<http://www.medic.michigan.org/ttc>) is administered by the MEDC and fosters growth in the high-tech life sciences, homeland security and advanced automotive technology industries through funding and resource collaboration. A total of 111 proposals for research projects in the three technologies are currently competing for \$26.5 million in 2005 Tri-Corridor funds.

Michigan's First Tool & Die Recovery Zones Designated: The MEDC recently announced that eight tool and die companies and/or coalitions have won designations as tax-free Tool & Die Recovery Zones under the state's Renaissance Zone program. The following applicants, representing a total of 33 companies, received the designations: **Coopersville Tooling Coalition, Great Lakes Tool & Die Collaborative LLC, LS Mold Inc., Lansing Tool & Engineering Inc., Precision Tooling Coalition, Tooling Systems Group, United Tooling Coalition and West Michigan Tooling Coalition**. A complete list of the companies and their locations is available at <http://www.michigan.org>. The tax-free zones are expected to significantly help Michigan's tool and die industry, which has lately been hard hit by international competition. Recent amendments to the Michigan Renaissance Zone Act allow the MEDC to designate up to 20 of the tax-free zones where state and local taxes may be abated for up to 15 years. The next window of opportunity for Tool and Die Recovery Zone designations is expected to open for applications in the fall of 2005.

Fostering Vibrant Michigan Cities and Urban Centers

\$2 Million in Block Grants to Marysville, Sebawaing, Zeeland Will Create 210 Jobs: Governor Jennifer M. Granholm announced the award of \$2.4 million in federal Community Development Block Grants to Marysville, Sebawaing and Zeeland made available by the Michigan Economic Development Corporation.

- The **city of Marysville** will use the funding for a performance-based loan in support of the \$8 million expansion of Schefenacker Vision Systems Inc. that will lead to creation of 50 new jobs. The injection mold company manufactures automotive mirror assemblies and currently employs more than 750 people. The city has committed an additional \$375,000 to the project and the Economic Development Alliance (EDA) of St. Clair County will also contribute \$3.1 million.
- A total of \$1.2 million in CDBG funding was awarded to the **village of Sebawaing** in Michigan's Thumb region to make public improvements in support of the \$5 million expansion of Lapeer Metal Stamping expected to create 150 new jobs. Sebawaing will use the funding for road, water and sewer improvements as well as training for new employees in order to accommodate the company's expansion into the 375,000-square-foot former Tower Automotive facility. Lapeer Metal Stamping is a Tier One supplier of high-quality metal stampings and assemblies for the automotive industry. Sebawaing will contribute an additional \$280,000 to support the expansion.
- CDBG funding in the amount of \$215,000 was awarded to **Holland Charter Township** to support the expansion of Lakeshore Vision & Robotics LLC in Zeeland expected to create 10 new jobs. Holland Township will use the funding for a loan to help Lakeshore Vision purchase new equipment and provide working capital. The company manufactures inspection systems for complex surfaces of plastic and metal parts using laser technology and high-speed cameras. The city has committed an additional \$250,000 to the project.

Governor Announces Assistance to Bring Investment, Jobs to Saginaw: Governor Jennifer M. Granholm announced that \$376,261 in federal CDBG funding has been offered to Saginaw County to help revitalize two downtown Saginaw properties as part of the Michigan Downtown Gateways program. In total, the projects are expected to **create 77 new jobs** and **\$6.6 million in private investment**. The funding is being made available through the MEDC which administers the CDBG program in the state. The two grants to Saginaw County totaling \$376,261 will support the following projects:

- **Denha Foodland Corporation** plans to redevelop and expand its existing supermarket located at 1122 East Genesee. To support the project, Saginaw County will use a \$153,761 CDBG grant for demolition, street and curb improvements and site preparation for construction of a 30,000-square-foot building. The project is expected to result in 27 new jobs and \$1.6 million in private investment.
- The **Fort Saginaw LLC** will redevelop the former Ippel Building at the corner of Court Street and Michigan Avenue. The new 48,000-square-foot mixed-use facility to contain office and retail space includes a proposed oyster bar, coffee shop and bakery. The county will use a \$222,500 CDBG grant to strengthen the below-surface walls of the building in preparation for redevelopment. The project is expected to create 50 new jobs and \$5 million in private investment.

Michigan Downtown Gateways funding may be used for public infrastructure improvements in support of specific projects that will result in the creation of jobs and private investment in downtown commercial centers or along major arteries leading into downtowns.

Governor Appoints Semone James Executive Director of State Land Bank Fast Track Authority:

Semone M. James was appointed as executive director of the State Land Bank Fast Track Authority. James, of Lansing, was a treasury investment specialist/senior portfolio manager at the Michigan Department of Treasury. Prior to working with the Department of Treasury, she worked as a senior property analyst with the Michigan Department of Transportation Bureau of Highways, Real Estate Division, and Project Delivery Section. A graduate of Eastern Michigan University, James received her bachelor of business administration, majoring in finance and real estate, in 1991. The Land Bank Fast Track Authority was established under the recommendations of the Governor's Land Use Leadership Council. The Authority allows properties that have reverted to state ownership due to failure to pay taxes to move through an expedited title clearing process. Thanks to the Fast Track Authority, these tax reverted properties can be ready for sale and redevelopment in less than one year, reducing blight, eyesores, and unproductive and obsolete spaces in neighborhoods across the state. Prior to the Authority, properties could sit vacant and off the tax rolls for up to seven years before they were able to be redeveloped.



Semone James

Governor Announces \$1.6 Million to Bring New Jobs and Investments to Six Michigan Communities: Governor Jennifer M. Granholm announced more than \$1.6 million in federal funding that will lead to the **creation of 106 new jobs** and **more than \$4.6 million in private investment** in Calumet, Clare, Corunna, Douglas, Durand and White Cloud. The grants will be used for public infrastructure improvements and a downtown market study to facilitate business expansions and create jobs. The grants are being made available by the Michigan Economic Development Corporation with funds provided by the federal Community Development Block Grant Program. The projects include:

- The **village of Calumet** will use a \$262,845 grant to make road, streetscape and sidewalk improvements on the 600 block of Oak Street for a new southwestern-style restaurant. The project is expected to **create 20 new jobs**. The developers plan to **invest \$270,000** to renovate a downtown building for the new business. The village will contribute an additional \$30,000 for the project.
- The **city of Clare** will use a \$30,000 grant for a downtown market study to identify the current and future business cluster mix. The results will help the city determine an action plan to increase year-round tourism.
- The **city of Corunna** will use a \$180,000 grant to foster the expansion and relocation of Dux Boats. The project is expected to **create 35 new jobs**. The city will build a public boat launch ramp, a riverfront boardwalk, dock and parking area. Dux, a manufacturer of commercial and recreational inflatable water craft, will use the ramp to test new products. The company will **invest \$400,000** in new machinery and equipment, with the city contributing an additional \$20,000 toward the engineering and design of the project.
- The **city of Douglas** will use a \$620,000 grant to make public improvements for a new office/retail development downtown that is expected to **create 31 new jobs**. The city will use the funding for street reconstruction and storm sewer improvements along Center Street. Douglas Development Partners will invest \$3 million, with the Douglas Downtown Development Authority contributing an additional \$124,000.
- The **city of Durand** will use its \$200,000 grant to extend water and sewer lines for construction of a \$1 million warehouse facility on Durand Road that is expected to create 20 new jobs. Eggers Development LLC will use the building to house a medical records storage services operation. Durand will contribute an additional \$408,000 to support the road improvements and water and sewer extensions.
- The **city of White Cloud** will use a \$351,000 grant to reconstruct and enlarge a downtown public parking lot at the corner of Wilcox and Gibbs Streets. The project is expected to attract new visitors and investment. The city will contribute an additional \$39,000.

The Michigan Economic Development Corporation administers the state's Community Development Block Grant funds received from the U.S. Department of Housing and Urban Development. These funds are used to provide grants and loans to eligible counties, cities, villages and townships - typically those with populations less than 50,000-for economic development, community development and housing projects. Larger communities receive block grant funds directly from the federal government.

MEDC Funnels Federal Grants to Dowagiac, Marcellus, Standish, Oceana County: Governor Jennifer M. Granholm announced the award of \$557,362 in federal Community Development Block Grants to four communities made available by the Michigan Economic Development Corporation as follows:

- **Oceana County** will use a \$364,000 CDBG grant in support of an \$8.2 million expansion of frozen food processor Chase Farms Inc. expected to create 36 new jobs. The funding will be used for improvements to the intersection of 192nd Avenue and Monroe Road to accommodate the addition of 25,000 square feet of space to the company's existing operations. The county will contribute \$40,444 to support the expansion.
- The **city of Standish** will use a CDBG grant of \$168,362 to support the \$1.1 million expansion of Vantage Plastics and contribute \$18,707 toward the project. The funding will be used for improvements to Franklin Road to accommodate increased truck traffic. Vantage manufactures thermoform plastic products primarily for the auto industry and currently employs 47 workers in the community. The expansion is expected to create an additional 18 jobs.
- The city of Dowagiac will use \$10,000 in CDBG funding for a central business district marketing study, contributing a 100 percent match.
- A \$15,000 CDBG grant will help the **village of Marcellus** conduct a downtown planning study. The goal is to provide direction for continued redevelopment efforts aimed at attracting additional investment and jobs.

More Than 600 Brownfields in Genesee County to Benefit From State Tax Incentive: More than 600 brownfield sites in Genesee County communities will be cleaned up and prepared for redevelopment, making use of more than \$4.9 million in state and local brownfield tax capture approved by the Michigan Economic Development Corporation (MEDC). The Genesee County brownfield redevelopment project is the first under legislation signed by Gov. Jennifer M. Granholm last year. Passed by the state Legislature in response to the Governor's Land Use Leadership Council Final Report, the new statutes allow for innovative approaches by local governments to deal with blighted tax-reverted properties. The Genesee County Fast Track Land Bank Authority will act as the developer of the properties which are mostly located in the city of Flint and Mt. Morris Township. It will use the funding for lead and asbestos abatement, demolition and title clearance to prepare the land for redevelopment. In January 2004, Governor Granholm signed a series of bills that enabled both state and local Fast Track Authorities. The creation of both local and statewide Fast Track Land Bank Authorities was a recommendation of the Land Use Leadership Council Report, and one the Governor prioritized for statewide implementation. Fast Track Authorities create a central clearing house for redevelopment of abandoned and foreclosed-upon properties, so they can again become assets for the community, and provide economic growth.

Making Michigan a Leader in the Global Economy

2005 Technology Tri-Corridor Field Narrows: The Technology Tri-Corridor Steering Committee has narrowed the field of competitors for 2005 Tri-Corridor funding from 111 to 85. The decision was based on a scientific panel's recommendations of the most meritorious entries representing the Tri-Corridor's goal of bolstering innovative, high-tech job creation in Michigan's life sciences, homeland security and advanced automotive technology industries. The 85 applicants invited to submit full proposals are seeking a total of \$102 million. The Tri-Corridor Steering Committee's decision was based on a competitive, independent peer review-based evaluation of the pre-proposals conducted by the prestigious American Association for the Advancement of Sciences (AAAS). The 85 candidates will now have until March 9 to develop and submit their full proposals. After this deadline, the AAAS will independently evaluate the proposals, interview candidates and make funding recommendations to the Steering Committee for final selections. The Technology Tri-Corridor is administered by the Michigan Economic Development Corporation and built on the successful model of the Michigan Life Sciences Corridor. Between 2000 and 2004, the Life Sciences Corridor and Tri-Corridor have allocated more than \$196 million through 143 awards. The list of finalists is at <http://medc.michigan.org/cm/attach/24E68DE3-9E93-436E-9AA7-A4E5B3B50407/2005%20Pre-Proposal%20Results.pdf>.

Meeting the Demand for Health Care Professionals

First Healthcare Learning Network Institute Held: Approximately 110 people attended the first Michigan Regional Skills Alliance (MiRSA) Healthcare Learning Network Institute on January 26, 2005. This event was presented by the Department of Labor and Economic Growth and was sponsored in part by the Charles Stewart Mott Foundation. The MiRSA Healthcare Learning Network Institutes supply established and prospective MiRSAs with healthcare industry information and resources to help them succeed. The sessions draw heavily on what MiRSAs have learned thus far and the challenges they face. Topics of sessions included Career Lattices and Ladders, Unique Challenges of Managing a Healthcare RSA and Tips on How to Assess Employer & Workforce Needs.

Bruce Weaver, acting director of the Labor Market Information and Strategic Initiatives, gave tips at the Healthcare Learning Network Institute on how MiRSAs can use information from the state website (<http://www.michlmi.org>) to assess employer and workforce needs.



Protecting Michigan Workers

Lanzo Construction Company Sentenced in Worker's Death: On Jan. 5, Oakland County 6th Circuit Court Judge Colleen O'Brien handed down the sentence in Oakland County 6th Circuit Court against Lanzo Construction Company. The company received two year's probation and the maximum statutory penalty of \$10,000 for the MIOSHA felony. The sentencing is the result of the company being found guilty of a MIOSHA felony in the 1999 workplace fatality of their employee, Robert James Whiteye. This landmark criminal case in workplace safety was first brought by Governor Jennifer M. Granholm as Attorney General. The Michigan Occupational Safety and Health Administration (MIOSHA) investigated the May 24, 1999, cave-in that killed Whiteye and found that Lanzo Construction Company violated the most basic provisions of the MIOSHA trenching standard. Judge O'Brien named Quirino (Gary) D'Alessandro, Sr., president and major shareholder of Lanzo Construction Company, as the responsible party for the corporation throughout the two-year probation. He must file a written report with the court every month stating that they are in compliance with the conditions of probation and that they have not violated any state or federal laws. In her Oct. 21st decision Judge O'Brien said, "The conduct of Defendant's employees on the day of this fatality was, indeed, willful. Clearly, there was no 'justifiable excuse' for failing to slope, shore or otherwise protect the employees within the excavation on Lake Ravine Drive." Based on provisions in the MIOASH Act, Public Act 154, as amended, every willful violation, which is connected to a fatality, is referred to the Michigan Attorney General's Office for criminal investigation and/or prosecution. In addition to the statutory penalty of \$10,000, Lanzo must also pay a \$60 crime victim fee, \$3,240 in court supervision fees, and \$600 in court costs.

Walbridge Aldinger and MIOSHA Launch Historic Construction Partnership to Protect Workers: Walbridge Aldinger, the Michigan Department of Labor & Economic Growth (DLEG), the Greater Detroit Building and Trades Council, and the Michigan Occupational Safety and Health Administration (MIOSHA) signed a historic partnership on Jan. 12 to ensure the safety and health of more than 500 workers on a large and complex construction project. Walbridge Aldinger, the Detroit-based worldwide full-service construction company, has been contracted by the City of Dearborn to construct a \$34 million Combined Sewer Overflow (CSO) project to build the largest sinking caisson in the world. The 30-month project will begin in early 2005. As general contractor, Walbridge Aldinger will coordinate the work of 21 subcontractors and 20 building trades unions, involving more than 500 trades workers. The construction industry is one of the most hazardous industries in Michigan. Only about four percent of Michigan's workforce is employed in construction-however, construction fatalities account for more than 40 percent of all fatal workplace accidents. All partners are committed to creating an environment where every construction worker goes home healthy and whole every day. Signing partners include: John Rakolta, Jr., Chairman and CEO, Ronald Hausmann, P.E., President - Heavy Civil Group, and Steve Clabaugh, Assistant Vice President of Safety & Health, Walbridge Aldinger; David Hollister, Director, Michigan Department of Labor & Economic Growth; Doug Kalinowski, Director, MIOSHA; John Hamilton, President, and Patrick Devlin, Secretary-Treasurer, Greater Detroit Building and Construction Trades Council. Also signing were all of the subcontractors and building trades unions working on the project. As part of the partnership, Walbridge will implement a process to audit the job for safety and will involve the partnering sub-contractors in developing and implementing corrective measures. Walbridge Aldinger will report all incidents and accidents to MIOSHA and will provide monthly safety reports. MIOSHA will conduct compliance inspections and job-site surveys on pre-determined serious hazard issues. Walbridge is responsible for the construction of a 350-foot concrete pre-cast diversion channel, and the construction of a sinking caisson that is 151-feet in diameter that will create a CSO structure.



Walbridge Aldinger, the Michigan Department of Labor & Economic Growth (DLEG), the Greater Detroit Building and Trades Council, and the Michigan Occupational Safety and Health Administration (MIOSHA) signed a historic partnership on Jan. 12 to ensure the safety and health of more than 500 workers on a large and complex construction project. Walbridge Aldinger, the Detroit-based worldwide full-service construction company, has been contracted by the City of Dearborn to construct a \$34 million Combined Sewer Overflow (CSO) project to build the largest sinking caisson in the world. As general contractor, Walbridge Aldinger will coordinate the work of 21 subcontractors and 20 building trades unions, involving more than 500 trades workers.

MIOSHA Delays Requirement for Annual Fit Testing for Occupational Exposure to Tuberculosis (TB): The Michigan Occupational Safety and Health Administration (MIOSHA) will delay the requirement for annual fit testing of respirators for occupational exposure to tuberculosis (TB). The delay covers fiscal year (FY) 2005, which is from October 1, 2004, to September 30, 2005. This action follows the lead of federal OSHA, who received this direction from Congress. The Consolidated Appropriations Act, passed by Congress, includes an appropriations restriction for OSHA activities which states that none of the funds appropriated shall be obligated or expended to administer or enforce the provisions that require an annual fit testing of respirators (after the initial fit testing) for occupational exposure to TB. Therefore, during FY 2005, employers may not be inspected or cited for the requirement to do annual fit testing of respirators for occupational exposure to tuberculosis. No other provisions of MIOSHA Part 451, Respiratory Protection, are affected by this appropriations restriction. Occupational exposure to TB is a serious and recognized hazard, and feasible abatement methods exist. Employers who have questions about TB enforcement and compliance issues may contact MIOSHA TB Specialist, Gerry Dike, General Industry Safety and Health Division, at 248.888.8863. Employers who have questions regarding MIOSHA outreach services are encouraged to contact the Consultation Education and Training (CET) Division, at 517.322.1809.

MIOSHA Reminds Employers to Post Injury/Illness Summary: Michigan employers are reminded they are required to post the total number of job-related injuries and illnesses that occurred in 2004. Employers must post the MIOSHA Form 300A (Summary of Work-Related Injuries and Illnesses) for three months, from Feb. 1 to April 30, 2005. The form is available on the Internet at <http://www.michigan.gov/recordkeeping>. The Michigan Occupational Health and Safety Administration (MIOSHA) requires most Michigan employers with 11 or more employees to log and maintain records of work-related injuries and illnesses, and to make those records available during MIOSHA inspections of the workplace. Accurate accident and injury records are necessary to help MIOSHA determine how well an employer is doing at providing a safe and healthful workplace. These records include the MIOSHA Form 300 (Log of Work-Related Injuries and Illnesses); MIOSHA Form 301 (Injury and Illness Incident Report); and MIOSHA Form 300A (Summary of Work-Related Injuries and Illnesses). The summary must list the total numbers of job-related injuries and illnesses that occurred in 2004 and were logged on the MIOSHA Form 300. Employment information about annual average number of employees and total hours worked during the calendar year is also required to assist in calculating incidence rates. Companies with no injuries and illnesses during the previous year are still required to post the MIOSHA Form 300A with zeros entered on the total line. A company executive must certify that the totals are correct and sign the form, which is then displayed wherever notices to employees are usually posted. A copy of the summary must also be made available to employees who move from worksite to worksite. Employers with 10 or fewer employees and employers in certain industry groups (retail trade; finance, insurance and real estate; and certain services industries) are normally exempt from the MIOSHA recordkeeping and posting requirements.

Helping Low- and Moderate-Income Michiganians

Homeless Shelters Receive Assistance with Utility Bills: The Michigan Public Service Commission (MPSC) announced the continuation of a voluntary utility program that provides utility bill discounts to many of Michigan's homeless shelters. Under the Homeless Shelter Energy Assistance Credit Program, participating utilities voluntarily contribute up to 25 percent of the winter energy bills to the shelters in their service areas. The utility's contribution appears as an energy credit on the shelter's utility bill. "Last winter, 218 Michigan shelters received credits from DTE Energy, Consumers Energy, Citizens Gas, and Peninsular Gas -- the utilities that participated in this program," said MPSC Chair J. Peter Lark. "These credits, totaling \$141,863, expanded the shelters' ability to provide services to some of Michigan's neediest citizens. At a time when shelter finances are stretched, the generosity of the participating utilities is greatly appreciated. The Commission commends the companies that participated last winter and encourages Michigan utilities to participate this year." The Homeless Shelter Energy Assistance Credit Program, which began in 1992, is a cooperative effort between the MPSC and the state's utility companies. Interested shelters should contact their utility companies to determine if they participate.

Governor Granholm Signs Revolutionary Affordable Housing Legislation: Governor Jennifer M. Granholm has signed a series of new laws that will have a major positive impact on affordable housing in Michigan. The four-bill package, based on recommendations of the Land Use Leadership Council, increases the purchase price and income limits for Michigan State Housing Development Authority (MSHDA) homebuyer and home improvement programs, establishes the Michigan Housing and Community Development Program and Fund, and extends MSHDA's ability to issue bonds in the future for funding low-interest mortgage rates for homebuyers and developers. The new laws will do the following:

- Amend MSHDA's enabling legislation to create the Michigan Housing and Community Development Fund to make loans at no interest or below market interest rates;
- Target at least 25 percent of the fund to rental projects;
- Target at least 30 percent of the fund to projects that target extremely low-income households;
- Target a portion of the fund to special needs populations, including the homeless and people with disabilities;
- Finance mixed-income housing projects;
- Public Act 549 of 2004 (House Bill 6077) increases the income and purchase price limits in MSHDA's single family and property improvement programs so that more people can qualify for low-cost MSHDA loans, allows MSHDA to make loans to developers for development of residential housing located in distressed areas for sale to people without regard to income, and increases the income and loan limits in MSHDA's Property Improvement Program;
- Public Act 535 of 2004 (Senate Bill 1341) extends MSHDA's ability to issue bonds in the future for funding low-interest mortgage rates for homebuyers and developers.

Michael DeVos Named New MSHDA Director: Members of the Michigan State Housing Development Authority (MSHDA) board of directors announced Michael R. DeVos has been named the Authority's new executive director. DeVos began his new duties January 24. DeVos, who had unanimous approval from the board, replaces Rick L. Laber who has been serving as MSHDA's acting director for the last 18 months. DeVos began his career in 1982 as a real estate salesperson and became a developer in 1984. He was a principal in 11 projects totaling over \$4 million including renovations, subdivisions, condominium conversions and income property. He joined Resources for Community Development in 1991 as executive director where he developed projects totaling more than \$30 million. In 1995, DeVos became the director of development at the Maine State Housing Authority where he oversaw annual program budgets totaling \$60 million. DeVos graduated Magna cum Laude in 1981 from Harvard College and obtained an MBA in 1991 from the University of California, Berkeley.



Michael DeVos

MPSC Approves \$15 Million in Low Income and Energy Efficiency Fund Grants: The Michigan Public Service Commission (MPSC) approved on Jan. 25 a round of grants totaling \$15 million from the Low Income and Energy Efficiency Fund. The grants will be used to assist low-income utility customers with their bills. "With temperatures down and natural gas prices up, we all are seeing higher energy bills, and low-income people are particularly in need of extra help this winter," said MPSC Chair J. Peter Lark. "I'm pleased to expedite an additional \$15 million in grants this heating season to assist those who are most in need of energy assistance." The Commission received proposals from eight organizations with requests totaling more than \$52 million. In awarding these grants, the Commission gave preference to organizations with a proven record in distributing energy assistance to low-income residents, an existing administrative structure to handle additional distribution activities, an ability to coordinate the assistance with other service providers and to serve multiple counties. The order approves the following grants:

- Family Independence Agency (FIA) -- \$11.4 million for the Low Income Home Energy Assistance Program for low-income households to restore energy services already disconnected and prevent threatened shut-off of energy services.
- Lighthouse Emergency Services -- \$100,000 to assist clients in the Pontiac and Oakland County areas who are ineligible for assistance from FIA or for whom such assistance is insufficient or would not be provided in time to avert an emergency.
- Michigan Community Action Agency Association (MCAAA) -- \$1.1 million for Direct Heating Assistance and Deliverable fuels programs for low-income households.
- Newaygo County -- \$250,000 to assist clients in a 10-county area ineligible for the State Emergency Relief Program or for whom such assistance is insufficient or would not be available in time to avert an emergency.
- The Heat and Warmth Fund (THAW) -- \$1.1 million for the THAW Safety Net Program.
- Salvation Army -- \$1.05 million to serve households statewide ineligible for assistance from FIA or for whom such assistance is insufficient or not available.
- The Low Income and Energy Efficiency Fund, administered by the Commission, is designed to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customers classes.

Eliminating Bureaucratic Red Tape

Michigan Named One of Best-Managed States: Governing magazine recognized Michigan as an outstanding leader in its Government Performance Project (GPP) report entitled, "Grading the States 2005." The nationwide report card gives Michigan high marks in the areas of money, people, infrastructure, and information management and will be reported in Governing's February edition. Only Virginia and Utah scored higher than Michigan - both received an A-. In addition to the state of Michigan, four other states received a B+. "This underscores our total commitment to running a lean, but not mean, Michigan," said Governor Jennifer M. Granholm. "Our goal is to ensure that citizens get every penny of value out of every one of their tax dollars. We can do nothing less than provide the services citizens most want in the most efficient way possible." The report praised the Granholm Administration, particularly in the areas of:

- strategic planning through the Governor's Cabinet Action Plan, which emphasizes results;
- implementation of a "silo busting" outcome budgeting process;
- use of information technology to support management decision making;
- infrastructure management, especially the Michigan Department of Transportation's asset management approach;
- public input exhibited by state government from committee hearings and online surveys, to the Governor's statewide budget tours;
- exceptional financial reporting from the Office of Financial Management;
- innovative procurement and ethical contracting practices of the Department of Management and Budget;
- leadership in employee recognition and appreciation; and,
- flexible hiring practices, as highlighted in the diversity recruitment strategies of the Department of Environmental Quality.

The conclusions in the report are based on research released by the GPP, the nation's only comprehensive, independent analysis of how well each state government is managed and actually performs. The report, the result of a year of research by a team of academics and journalists, is designed to allow state leaders to identify their state's strengths and weaknesses and to compare the performance of their state to others. According to the report, "Michigan's recent movement to integrate statewide and agency strategic planning through the Cabinet Action Plan is indeed impressive. The goals and objectives outlined in the plan are inherently results-focused and include targets for future performance. Governor Granholm's administration instills a common set of values and a common vision for employees." All 50 states received grades in the GPP's report, which can be found at <http://results.gpponline.org/michigan> and in the February issue of Governing.

MLCC Offers Online License Renewal: The Michigan Liquor Control Commission will be offering all licensees the opportunity to renew their licenses on the Internet for the 2005-2006 licensing year. An Internet Renewal Authorization form was mailed to licensees. This form must be returned to the Lansing Office of the Commission and must be executed by all the proper authorized signors (all co-licensees, partners, general partners, etc) if the Licensee wants to renew their license via the Internet. Upon receipt of a properly executed Internet Renewal Authorization form, a PIN number will be assigned and mailed to the licensee allowing them access to the Online Internet Renewal system. Online Internet Renewal will not be mandatory, however Chairperson Nida Samona encourages licensees to try the new system for safety and convenience reasons. Licensees with more than one location will find online Internet Renewal convenient as they will be able to renew all their locations from one web page. The Internet site will become operational after the 2005-2006 renewals have been printed which is expected at the beginning of March. Contact the Renewal Unit at 1-866-813-0011 for more information.

Child Support Withheld from Workers' Comp Settlements Codified: Before the end of the 2004 session, the state Legislature approved a measure that allows up to 50 percent of a workers' compensation settlement to be withheld from the worker for child support. The measure also gave WC magistrates authority on allowable expenses through redemption orders.

Assisting Jobless Workers & Employers

SUTA Dumping Becomes Prime Issue for 2005: Efforts to gain legislative approval for changes to the state's unemployment insurance (UI) law fell short in late 2004. These changes now become a priority for the administration in 2005. The changes to the state's UI law will close loopholes that currently allow some employers to avoid paying their fair share of UI taxes through a practice known as SUTA (state unemployment tax act) dumping. In the closing days of the legislative session, Gov. Granholm had urged legislative leaders to take action on SUTA dumping. In a letter to the leadership, the governor wrote: "By taking action in this lame-duck session, the Legislature can prevent these cheaters from raiding the state's unemployment insurance fund of \$60 million in the first quarter of next year (2005)."

WC Advisory Council Meets: The newly established Director's Advisory Council, Workers' Compensation Agency, held its second meeting in January. The Council has 28 members: four from the State Bar of Michigan, representing both plaintiffs and defense; 10 members, representing employer and insurance interests; eight from labor; and six state administrators, including David Plawecki, a DLEG deputy director; Marcia Valentine, assistant DLEG deputy director; Craig Petersen, acting director, Workers' Compensation Agency (WCA); William Reamon Jr., chair, Workers' Compensation Appellate Commission (WCAC); Jack Nolish, chair, WC Board of Magistrates; and Ed Welch, chair of the WC Qualifications Advisory Committee (QAC). At its first meeting, the Council considered and discussed: proposed rules for the WCAC; proposed health care services rules; an information update for the QAC; proposed statutory amendments for WCA; potential funding sources for the WCA; and Friend of the Court legislation.

Deputy Director Named to National UI Post: DLEG Deputy Director Dave Plawecki has been selected to chair the Unemployment Insurance (UI) Committee for the National Association of State Workforce Agencies (NASWA). The committee works closely with the U.S. Department of Labor on problems and issues related to the national UI system. Nearly all states participate in this committee. NASWA is composed of state administrators of UI, employment and training services, and labor market information programs in 50 states, the District of Columbia and Puerto Rico.



**Dave
Plawecki**

Protecting Workers' Rights

Wage & Hour Helps DMB Implement Fair Printing Law: The Wage & Hour Division, the state's experts on prevailing wage, reached out to help DMB ensure that fair and equitable wage standards are met in the state's bid process for printing. The division recently collected wage information from Michigan printing companies to formulate a prevailing wage for printing classifications by region. Employers submitting printing bids requested by the state will be using the wage data. Bidders are required by law to pay the prevailing wage. The survey was done in conjunction with DMB's Office of Acquisition Services.

Wage & Hour Investigator Assigned to the U.P.: The Wage & Hour Division is making itself more accessible to the public by stationing a program investigator in the Upper Peninsula (U.P.). Gordon Heinonen is the division's U.P. investigator and is available to help the public with wage and hour questions and issues. Heinonen has office hours by appointment in Baraga, Escanaba, Marquette and Sault Ste. Marie. Appointments can be arranged by calling him at 906.482.3602 on weekdays between 8:00 a.m. and 5:00 p.m. In addition to its U.P. investigator, the division recently began offering walk-in services at its newly opened office in Livonia and at its headquarters in Lansing. Program investigators enforce state wage and hour laws and look into potential violations. The Wage & Hour Division enforces four state laws governing the payment of wages and benefits, minimum wage and overtime, youth employment, and prevailing wage. In fiscal year 2004, the division recouped nearly \$2.1 million in unpaid wages.



**Gordon
Heinonen**

Protecting Michigan Consumers

Race-Based Premium Settlement Reached: Office of Financial and Insurance Services Commissioner Linda A. Watters announced that Michigan consumers will benefit from the multi-state settlement with New York Life Insurance Company concerning past discriminatory underwriting practices against African-American policyholders from 1920 through 1948. "Insurance should be based on risk factors, not race factors," said Watters. "Basing rates on race is just plain wrong. Michigan consumers discriminated against by New York Life deserve this refund with interest." Under the settlement, which includes 166 Michigan policyholders (or their descendants), New York Life will pay refunds on endowment policies issued to African-American policyholders between 1920 and 1948 where the policyholder was charged higher premiums due to race. Refunds of the extra premiums will be made with interest. In June of 2000, the New York State Insurance Department announced an investigation into allegations of race-based underwriting of life insurance by its licensees. Through the National Association of Insurance Commissioner, Michigan was included in the settlement negotiations with New York Life. The investigation focused on different premium rates, compensation rates, risk classifications and unequal treatment with regard to dividends, benefits of other policy terms or conditions that were based solely on race as evidence of race-based underwriting. The Department continues to pursue other investigations involving New York licensees New York Life will be engaging in an outreach initiative including mail, print and Internet communication to notify affected parties. For more information on the settlement, please call 1-866-891-0614 or visit <http://www.outreachprogram.info>.

Granholm and Watters Warn About New Scams Using Tsunami Relief to Steal Money From Citizens: Governor Jennifer M. Granholm and Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters issued a warning to all Michigan residents to be on alert for scammers who are unscrupulously using the tsunami tragedy in South Asia as a means to cheat consumers. Instances of several different online scams, spam and fraud have been reported across the nation. Some online versions are putting a new twist to the ubiquitous "419" scam that authorities believe originated in northwest Africa. These emails try to capitalize on the impact of the tsunami tragedy and get money from recipients by morbidly promising a share of large bank accounts of dead relatives from the affected countries. Consumers should carefully research any requests for donations towards tsunami relief before donating. Charitable giving for this disaster has been very generous, and Michigan citizens are encouraged to continue with their support of victims of the tsunami. Gifts should be made to reputable charities such as the Red Cross or Salvation Army, or provided to local well-established community charities that will ensure this relief reaches the intended recipients. Charities can be confirmed for legitimacy using independent verification websites such as <http://www.GuideStar.org>, which offers a number of useful tools for checking out charities. GuideStar includes listings of those groups that have registered with and met the guidelines of the U.S. Internal Revenue Service's terms for a nonprofit charity. Consumers can also check with the Office of the Attorney General to verify that a charity or non-profit organization is licensed in Michigan. Anyone who has encountered one of these scams should file a complaint with the Michigan Attorney General. Complaints can be made toll-free at 1-877-765-8388 or online at <http://www.michigan.gov/ag>.

Rules Reducing Insurance Base Rates by Banning Insurance Credit Scoring Move Forward: Proposed rules to reduce base insurance rates and ban the practice of using insurance credit scoring in Michigan have been sent to the Joint Committee on Administrative Rules (JCAR) for consideration. The proposed rules would require insurers to reduce the base premium rates charged to all policyholders. In recent years, insurers have increased base rates in order to provide discounts to those policyholders with better credit scores. For new and renewal policies effective on or after July 1, 2005, an insurer will have to perform a simple calculation based on the premium charged in the prior calendar year. This reduction in base rates will result in lower premiums for the majority of consumers. By May 1, 2005, each insurer must certify to the Office of Financial & Insurance Services Commissioner, with supporting documentation, that it has made the required calculation and reduced its base rates accordingly. In conjunction with the base rate reduction, the rules would ban the use of insurance credit scores in rating and underwriting for personal insurance. Personal insurance includes private passenger automobile, home, motorcycle, boat, personal watercraft, snowmobile, recreational vehicle, mobile-homeowners, non-commercial dwelling fire insurance policies, and all other policies for personal, family, or household use. For more information, see the OFIS report at: http://www.michigan.gov/documents/JCAR_Agency_Report_10-01-04_113192_7.pdf or the Credit Scoring Activity page: http://www.michigan.gov/cis/0,1607,7-154-10555_12902_15784---.00.html

Michigan Residents Encouraged to "GET SMART" About Insurance Policies: The Michigan Office of Financial and Insurance Services (OFIS) and the National Association of Insurance Commissioners (NAIC) encouraged consumers to get smart about their coverage during the fourth annual Get Smart About Insurance Week, held Jan. 24 – 28. Although most Americans feel they have about the right amount of insurance coverage (72 percent), only 33 percent say they understand the details of the coverage "very well," according to a survey by the National Association of Insurance Commissioners (NAIC). In 2004, OFIS received 5,530 contacts from consumers seeking insurance information or assistance with complaints. From those contacts, OFIS was able to help recover \$7,092,383 for insurance consumers. The most common insurance complaint in 2004 was claim handling. These complaints involved denials or delays in claim payment, unsatisfactory claim payment amounts, and disputes over the amount of covered services for out-of-network treatment or coordination of benefits. For more information, visit http://www.michigan.gov/cis/0,1607,7-154-10555_12902_15782---.00.html. OFIS provides additional complaint information, including complaint ratios for individual insurance companies and guidance on how to file a complaint, online at <http://www.michigan.gov/ofis> or by calling 877-999-6442 (toll free).

MPSC Directs Detroit Edison to File Report on Fermi 2 Shutdown: The Michigan Public Service Commission (MPSC) issued an order on Jan. 25 directing the Detroit Edison Company to file a report by Feb. 4 summarizing the outage that occurred at its Fermi Nuclear Generation facility (Fermi 2) on Jan. 24. "The Public Service Commission is concerned about this plant shutdown and the potential loss of generation capacity to Michigan," said MPSC Chair J. Peter Lark, noting that the 1,150 megawatt plant provides a significant amount of electricity to Michigan. The report will summarize the incident, provide at least a preliminary identification of the its cause or causes, a description of the condition of the plant, and, if the plant has not returned to service, an estimate of how long it may remain idle and the cost of replacement power.

USA Credit Union Joins Ranks of State Chartered Credit Unions: Office of Financial and Insurance Services (OFIS)

Commissioner Linda A. Watters welcomed USA Credit Union (formerly USA Federal Credit Union) to the ranks of state chartered credit unions. USA Federal Credit Union members approved the switch from a federal charter to a state charter with 86% of the voting members in support. USA CU indicated that the change will result in an increased ability to strengthen the Credit Union through expanded membership growth opportunities. Under the newly updated Michigan Credit Union Act, field of membership provisions have been expanded to allow Michigan state-chartered credit unions to better serve both communities and employee groups. Before the conversion, USA CU members consisted of Unisys or other USA Federal Sponsor Company employees and immediate family members of these employees. It also consisted of the members of USA Forum and residents of Marysville, Michigan. As of January 1, 2005, membership in the credit union will be expanded to include anyone living, working or worshipping in Oakland or Macomb County. In Michigan, in addition to more progressive field of membership provisions, state chartered credit unions have more expansive incidental powers than at the federal level. Michigan state-chartered credit unions also have significantly greater flexibility regarding Credit Union Service Organization investments than that available under the federal charter. With almost 66,000 members and approximately \$577,000,000 in assets, USA CU is the third largest in southeast Michigan. It ranks in the top ten for the state, and is one of the largest in the nation. The credit union has nine branches including locations in Auburn Hills, Marysville, Plymouth, Troy and Mt. Clemens. It has been in operation more than 50 years.



From left to right: Alice Censier (OFIS Regional Supervisor), Darren Cameron (USA CU VP of Marketing), Robert Gracely (USA CU Chairman of the Board, Barbara Streffling (OFIS Deputy Commissioner), Thomas Alter (USA CU Executive VP), Mary McDonald (USA CU President and CEO), Roger Little (OFIS Deputy Commissioner), OFIS Commissioner Linda A. Watters, Ken Ross (OFIS Chief of Staff), Marcia Miller (OFIS Corporate Specialist), John Kolhoff (OFIS Credit Union Assistant Director), Linda Hansen (OFIS Charter Review Manager)

Fire Marshal Advises Consumers to Prepare a Child for a 911 Emergency Before it Happens: The best time to prepare for an emergency is before it happens, so the State Fire Marshal advises Michigan consumers to teach children about using 911. State Fire Marshal Andy Neumann said having emergency numbers on hand is an essential to ensuring all of your family members are prepared. Neumann noted it is very important that children can dial 911 and they understand that it should be called for emergencies – and nothing else. Even very young children can be taught how to place an emergency call for help. Teach your child what he or she will need to know to place a call to 911 and talk to the operator:

- how to dial 911 (or the emergency number in your community)
- his or her full name
- his or her full address
- a short description of the emergency

Have your child practice by speaking into an unplugged telephone. Suggest a situation, such as "Mommy's fallen down the stairs and can't get to the telephone. Now what do you do?" After your child dials the number, prompt him or her with questions that an emergency operator would ask, such as "What is your name?" "Where are you calling from?" and "What is the emergency?" Stress that the description should be short ("Mommy fell down the stairs") and that he or she should try to stay calm. Practice until your child feels comfortable. Finally, teach the child to get out of the house immediately if there is a fire and go to the designated family meeting place so everyone can be accounted for that was in the house.

Greg White Appointed Michigan Public Service Commission Legislative Liaison: Greg White was appointed as the Michigan Public Service Commission (MPSC) legislative liaison. White, of Grand Rapids, previously served as the executive assistant to Commissioner Robert B. Nelson and former PSC Commissioner John Shea. In addition, he has managed the Commission's congressional relations since 1989. White earned a bachelor's degree from Michigan State University and a master's degree in public administration from Grand Valley State University. He has served as chairman of the National Association of Regulatory Utility Commissioners' staff subcommittee on nuclear issues and waste disposal for the last six years.

Assisting Michiganians with Disabilities

MCB Achievement Honor Roll Awards Presented: The 2004 Michigan Commission for the Blind Achievement Honor Roll Awards were presented at the December commission meeting, including awards to four consumers, one employer, one community partner, and one Business Enterprise Program (BEP) operator:

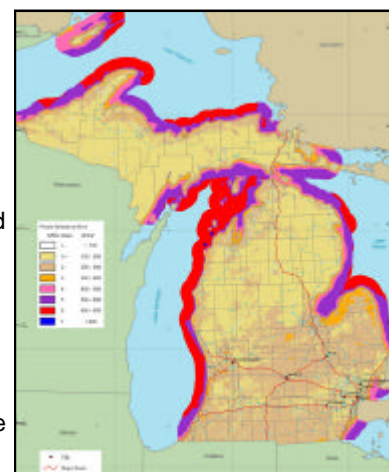
- **Linda Ackerman (consumer award recipient)** began receiving services from MCB in November 2002 to learn how to use her low vision more effectively. She had been employed at a child daycare center, and she told her counselor of her goal to someday own and operate a center. After much hard work and careful attention to the small business process, she now owns and operates Play-2-Learn, which is at full capacity with a waiting list.
- **Joycelyn Cross (consumer award recipient)** is a homemaker and retiree from the computer and automotive industries who was diagnosed with macular degeneration and referred to the commission in 1994. She attended a mini adjustment program in Detroit, and later attended the MCB Training Center. She has since purchased a computer and is taking correspondence courses through the Hadley School. Always open to new ideas and willing to try suggestions offered to her, she adapts to new challenges and makes life work for her.
- **Mary Guy (consumer award recipient)** first began receiving services from the commission as a Youth Low Vision student in the early nineties. In addition, she received special education services for cognitive impairment. In the spring of 2002, she attended the MCB Training Center to work on her daily living skills and mobility. She now has her own apartment and works 12-15 hours per week in Traverse City at a studio assembling printed stationery products. Her employer says that she is always willing to help out and assist others in the shop. She is pleased with her job and active in her community, demonstrating that perseverance and good support services make vocational rehabilitation work.
- **Patricia Woods (consumer award recipient)** was born legally blind. She taught in the Detroit Public Schools for 38 years. When her vision began to worsen, she contacted MCB for help and was placed in the Job in Jeopardy program. With the commission's help, she requested and received the accommodation of a teacher's aide to help with paperwork. She retired from teaching in 2000. She and her husband have since received additional help from MCB in the Independent Living Program, and they live in their own home and remain active in their church and community.
- **SunTel Services, Inc., Auburn Hills (employer award recipient)** was honored for its flexibility in adjusting hours and working on transportation needs with an MCB client. In addition, the company's human resources department has shared helpful information on its search and hiring processes and conducted mock interviews to train MCB clients for employment opportunities.
- **Association for the Blind and Visually Impaired (community partner award recipient)** has provided a variety of services including rehabilitation teaching, orientation and mobility instruction, counseling, support groups, a low-vision clinic, financial resources and client advocacy services. The organization's ongoing collaboration with MCB benefits consumers through joint ventures such as "Summer in the City," which provided "skills of blindness" training to youth.
- **Garnet Prentice (Business Enterprise Program operator award recipient)** operates Gar's Vending at the Detroit Greyhound Bus Terminal with a personal touch that brings high customer satisfaction. In her approximately 21 years with BEP, she has gracefully overcome difficulties that have come her way, and her high standards have made her business a successful one.



Receiving the second annual Michigan Commission for the Blind (MCB) achievement honor roll awards are, left to right: Richard Meganck, SunTel Services (employer); Patricia Woods; Jocelyn Cross; Mary Guy; and from the Association for the Blind and Visually Impaired (community partner), Richard Stevens, Charis Austin and Jim Bonnema. The awards are presented to MCB consumers who have been outstanding in achieving their goals, an employer who has shown exemplary leadership and cooperation in providing employment opportunities for persons who are blind, and a community partner who has shown exceptional commitment and dedication in working with MCB and its consumers. (Linda Ackerman and Garnet Prentice, who also received awards, were not present at the commission meeting.)

Promoting Energy Efficiency

Michigan Wind Energy Resource Maps: New wind energy resource maps for Michigan can now be viewed at the Energy Office web site at <http://www.michigan.gov/eorenew>. The wind energy resource maps are estimates of wind resources and are based primarily upon computer modeling which simulates the physics of the atmosphere. Also a wind flow model is used to account for localized effects of terrain and surface roughness. The 50 meters map was validated by the National Renewable Energy Laboratory using data from over 90 measurement stations including 35 airports and 20 Coast Guard stations. The wind energy resources maps are intended to be suggestive of areas within Michigan that may be suitable for wind generators. Although the maps are believed to represent an accurate overall picture of the wind energy resource, estimates at any location should be confirmed by actual measurements before purchase or installation of any wind power systems. The wind speed maps show the predicted mean wind speed at heights of 30 meters, 50 meters, 70 meters, and 100 meters. Four maps were produced because wind speeds are greater at higher heights. A typical tower height for the current generation of large utility-scale wind turbines of 750 kW (kilowatt) to 2 MW (megawatt) rated capacity is 70 meters. A typical height for small turbines for farm or residential use is 30 meters. The 50-meter wind power density map shows the predicted amount of wind energy. Some experts regard the mean wind power, which depends on the air density and the cube of the wind speed, as a more accurate indicator of the wind resource when assessing wind project sites.



Wind Power Density of Michigan at 50 Meters.

Revised Energy Code to Result in Energy-Efficiency and Reduction of Utility Costs for Consumers: The Bureau of Construction Codes and Fire Safety (BCCFS) announced that new residential building construction will be built to more energy-efficient and cost-effective standards thanks to a revised energy code effective February 28, 2005. The revised Michigan Uniform Energy Code (MUEC) applies to one- and two-story detached family dwellings not more than three stories in height and multiple single-family dwellings with separate means of egress not more than three stories in height. The revised code does not apply to apartment-type dwellings with common entrances. "The revision to the MUEC sets the bar higher for energy-efficient construction methods and raises the state's energy code to be in line with the nationally recognized standards for energy conservation," said Henry L. Green, director of Bureau of Construction Codes and Fire Safety. "It also creates the opportunity to address the continuing rise in the cost of energy for homes." The revision adopts Chapter 11 of the International Residential Code (as amended) – a standard that is consistent with the Federal Energy Policy Act and represents the current trends in national standards for new residential building construction. It also incorporates simplified compliance tools for use by design and construction professionals. Green said recently released economic forecasts indicate that higher energy costs are here to stay and will only continue to increase. Investing in energy conservation and efficiency in construction will pay off in energy cost savings now and in future years. "Homeowners would see a net benefit within seven years with a home built to meet the new requirements," said Green. "Those benefiting most from having more cost efficient homes to operate are low- and fixed-income families who spend three times as much of their income on energy as do middle-income families." More facts are available at http://www.michigan.gov/cis/0,1607,7-154-10573_11472-107722--,00.html.

MPSC Releases Annual Electric Competition Report Showing a 45 Percent Increase in Choice Customers: The Michigan Public Service Commission (MPSC) released its annual report on Feb. 1 on electric competition in Michigan. "The year 2004 marked the third full year that electric choice has been available in Michigan, and the number of customers choosing an alternative electric supplier continued to grow," noted MPSC Chair J. Peter Lark. "The PSC made a number of changes in the Detroit Edison rate case to deal with concerns raised about electric choice in 2004. My fellow Commissioners and I believe that these changes will benefit both choice customers and customers of Detroit Edison." The entire report is located on the MPSC Web site: http://www.michigan.gov/documents/elec-comp05_115196_7.pdf.



Say Yah to Da UP eh? Energy Office Consumer Education Supervisor John Sarver and Residential Energy Program Coordinator Pat Hudson welcome Jennifer Silverston who was named as the director of the new "Northern Options" Energy Demonstration Center in Marquette. Northern Options is now one of eight Michigan Energy Demonstration Centers in the state - thanks to a grant from the Energy Office.

DLEG Energy Office Awards Grants to Create New Energy Demonstration Center in Traverse City and Marquette: The DLEG Energy Office awarded grants to establish a new Energy Demonstration Center in Traverse City and Marquette.

- **Traverse City:** A \$24,000 grant will assist Northwestern Michigan College with start-up costs as the organization seeks to set up the Center within the Construction Technology Program at the M-TEC campus. Northwestern Michigan College will develop an action plan and organize a coalition that will work toward fulfilling community energy goals.

Coalition members will include local renewable energy and energy efficiency instructional staff people, local businesses, an industrial energy expert, a local recycling specialist, and other interested groups and individuals. Bill Queen (bqueen@nmc.edu), Coordinator of Extended Educational Services will serve as the Program Coordinator for the Northwestern Michigan College Energy Demonstration Center.

- **Marquette:** A \$24,000 grant was awarded to establish a new Energy Demonstration Center in Marquette called "Northern Options." The grant will assist Northern Options with start-up costs as the organization seeks to establish a physical structure to lease or purchase. Energy education programs such as "Energy Seminars and Tours" will take place during the 2005 start-up year. Northern Options will develop an action plan and organize a coalition that will work toward fulfilling community energy goals. Coalition members may include Northern Michigan University, local businesses, energy utilities, and other interested groups and individuals. The grant was awarded to Urban Options in East Lansing as the parent organization. Urban Options has been providing energy programming for Mid-Michigan citizens since 1978. Urban Options will assist Northern Options with program guidance and operational support. For more information contact the Northern Options Director Jennifer Silverston at jsilvers@nmu.edu, or Urban Options Executive Director Aileen Gow at aileen@urbanoptions.org.

Northwestern Michigan College Energy Center and the new Northern Options Energy Center in Marquette join six other existing Michigan Energy Demonstration Centers in providing public education and energy services focusing on wise energy use, green building practices, and renewable energy solutions. The one-year grant, effective as of Jan. 1, is administered by the DLEG Energy Office, which promotes energy efficiency and renewable energy use and resource development to Michigan's residents, businesses and public institutions. Funding for the grant program was provided by the U.S. Department of Energy. For additional information, please contact the State Residential Energy Program Coordinator Patrick Hudson at plhudso@michigan.gov or visit <http://www.michigan.gov/energyoffice>.

Serving Michigan's Spanish-Speaking Population

COSSA Names New Officers for 2005: The Michigan Commission on Spanish-Speaking Affairs has named José Luis Reyna of Grand Rapids as its new Chair and selected other new officers to lead COSSA in 2005. Reyna is employed as Assistant to the City Manager for the City of Grand Rapids and was formerly the Human Relations/EEO Director for the City of Holland. He has served on COSSA since 2004. Other officers elected at the January meeting include:

Vice Chair: George Fierro, of Hamilton, who is Director of Advising for Western Michigan University's College of Aviation. He has served on COSSA since 1992.

Secretary: Danette Duron-Willner, of Wixom, who is corporate manager of EEO/Diversity with Kelly Services and was formerly employed as a civil rights representative with the Department of Civil Rights. She has served on COSSA since 2004.

Trustee: Sergio Paneque, of Laingsburg, who is a Special Advisor in the Office of Governor Jennifer M. Granholm. He has served on COSSA since 2000.

"Commissioner Reyna and the other officers are taking over the helm of COSSA at an exciting time for our organization and Michigan's Hispanic community," said COSSA Executive Director Marylou Olivarez-Mason. "In 2005, COSSA will reach a milestone with its 30th anniversary. But most importantly this year we will be moving forward by implementing an aggressive 5-year strategic plan that is aimed at improving economic opportunities, educational achievement, leadership and political engagement, and legislative influence of Hispanics across the state."

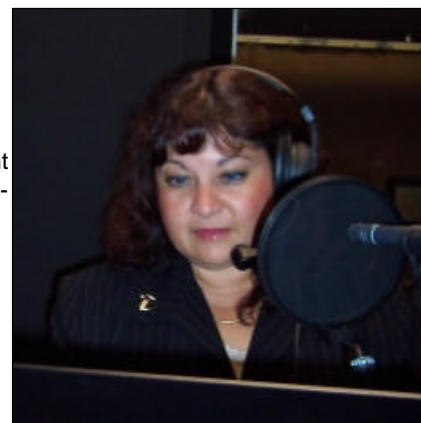


The new 2005 officers for the Commission on Spanish-Speaking Affairs are (from left to right) Trustee Sergio Paneque, of Laingsburg; Chair José Luis Reyna, of Grand Rapids; Vice Chair George Fierro, of Hamilton; and Secretary Danette Duron-Willner, of Wixom.

Michigan Commission on Spanish-Speaking Affairs Seeking Public Input on 5-Year Strategic Plan for Hispanic Community:

The Michigan Commission on Spanish-Speaking Affairs (CoSSA) is seeking public input through March 31, 2005 on its proposed five-year Strategic Plan, which it will present to Governor Jennifer M. Granholm. The draft plan and comment form is available on the CoSSA Web site at: <http://www.michigan.gov/cossa>. "The commissioners have set an aggressive agenda to empower the Hispanic community over the next five years. Plans to help Hispanics include opportunities to assume more leadership positions, increase their economic opportunity, increase academic achievement, and support legislation that benefits the Hispanic population," said CoSSA Chairperson José Reyna. "The Commission is asking everyone to review the proposed strategic plan and provide feedback on the plan." The Commission on Spanish-Speaking Affairs was created in 1975 to serve Michigan's growing Spanish-speaking population which is today the second-largest and fastest-growing minority group in Michigan. The Commission is made up of 15 individuals appointed by the Governor to develop policies and plans to serve the needs of Michigan's Spanish-speaking people. "We have an energetic and creative group of Hispanic leaders on the Commission that are focused on accomplishing goals that benefit the Hispanic population throughout the state. Their role will also be to communicate the role and effort of the Commission to the areas they represent," Reyna states. "CoSSA's proposed strategic plan outlines our goals to help Michigan Hispanics improve their own quality of life in the next few years so we want to have as much feedback as possible to help us better serve the Hispanic community." The new strategic plan focuses on four key areas: Education; Business and Economic Development; Leadership and Political Development; and Creating a Legislative Agenda.

Unemployment Claims Phone System Now Takes Claims in Spanish: Unemployed Spanish-speaking workers can now file their unemployment claims by telephone without the need for their own interpreter as Michigan has expanded its telephone system to connect callers directly with Spanish-speaking staff. The Unemployment Insurance Agency (UIA) now has a Spanish-language option for unemployed workers who choose to file their unemployment claims by telephone. UIA's toll-free telephone line now has instructions in Spanish and will connect callers to a bi-lingual agency staff member who can help them to either file a claim or to inquiry about their existing claim. Unemployed workers can call UIA's toll-free claims line at 1-866-500-0017 weekdays between 8:00 a.m. and 4:30 p.m. When callers select the Spanish-language version of UIA's call-in system, they are routed to the first available bilingual agency staff member whether that person is at the agency's call center in Detroit, Grand Rapids or Saginaw. In those instances when Spanish-speaking staff may be busy with other calls and unavailable, the agency can arrange for the use of a telephone-based language service that provides translation services. In 2004, UIA also made its telephone-based MARVIN system available in Spanish. MARVIN (Michigan's Automated Response Voice Interactive Network) is a telephone-based system that unemployed workers who are claiming unemployment benefits must call once every other week to certify that they meet the program's eligibility requirements. In addition, the agency has Spanish versions of its unemployment benefit handbook for unemployed workers and a fact sheet with general information about filing unemployment claims. Both documents are at UIA's website (<http://www.michigan.gov/uia>).



Val Congdon, a UIA analyst, provides the voice and translation for the Spanish language option on the agency's telephone filed claims system.

Inquilla Appointed to Commission on Spanish-Speaking Affairs: Governor Jennifer M. Granholm announced the appointment to the Commission on Spanish Speaking Affairs of Benjamin D. Inquilla of Plainwell, managing attorney with Farmworker Legal Services of Michigan. Mr. Inquilla is appointed to represent the general public for a term expiring December 10, 2005. He succeeds Maria Guterrez-Ostrander who has resigned.

Developing a 21st Century Workforce

Michigan Career and Technical Graduates 105 Students: The Michigan Career and Technical Institute (MCTI) in Barry County is graduated 105 students from throughout the State of Michigan on February 12. Operated by the Michigan Department of Labor & Economic Growth, MCTI provides vocational training in 13 different career areas for adults with disabilities: Auto Mechanics, Business Support Services, Cabinetmaking, Certified Nursing Assistant, Culinary Arts, Custodial, Drafting, Electronics, Grounds Maintenance & Landscaping, Machine Technology, Office Automation, Printing, and Retail Marketing.

Sappi Fine Paper in Muskegon Donates 16,500 Lbs. of Paper for School's Printing Class: The Michigan Career & Technical Institute (MCTI) has received an early and very welcome Valentine's Day gift from Sappi Fine Paper North America in Muskegon -- 16,500 lbs. worth of new paper for the school to use in its printing curriculum. "It is the largest donation of paper we have ever received," said MCTI Director Dennis Hart. "We usually receive odds and ends from printing companies, of which we're very appreciative, but this donation should last us for quite some time." Located in Barry County about 20 miles northwest of Kalamazoo, MCTI provides training for adults with disabilities in 13 different career areas, including printing. The school is operated by the Rehabilitation Services division of the Michigan Department of Labor & Economic Growth. Jeff Mount, head of the MCTI Printing Department, said the 16,500-plus pounds of donated paper are a high-quality, coated stock. "We plan to use the paper to print the school calendar and class brochures, but we will use it mainly to teach press operations," he said. "Because the paper is of such fine quality - paper we could not afford to buy ourselves -- we will now be able to have the students work on higher quality projects." William J. Rock, CPA, Manager of Planning and Financial Analysis at Sappi, said the company's Community Relations Committee selected MCTI for the donation because of the school's mission to prepare individuals with disabilities for employment, and also because of the school's tie to printing. "Sappi Fine Paper North America and the Community Relations Committee believe strongly in giving back to the community," he said. "MCTI assists people who have had some disadvantages and offers training in printing. It's a very nice connection for us." Sappi Fine Paper North America is considered the global leader in the manufacturing of coated fine paper. The company's global headquarters is in Johannesburg, South Africa. North American operations are headquartered in Boston, Massachusetts, with four paper mills -- two in Maine, one in Minnesota and one in Muskegon.



Delighted with the donation of high-quality paper from Sappi, MCTI's Printing Department students gather around the shipment for a photo. Clockwise, beginning with six o'clock, are: Stephanie Baker, Saleta Lynch, Andy Smith, Jeff Mount (instructor), Jeff Scott, Jeremy Suggate (12 o'clock), Joel Vugteeven, Sam McCormick (gray shirt), David Barnes, Adrian Kapp (green shirt), Derek Rose (red shirt), Steve Turner (black shirt) and Holly Brown.